

House Resolution 5, One Hundred Thirtieth Congress, and the order of the House on January 3, 2013, of the following Members to the House Democracy Partnership:

Mr. ROSKAM, Illinois, Chairman
 Mr. FORTENBERRY, Nebraska
 Mr. BOUSTANY, Louisiana
 Mr. CONAWAY, Texas
 Mr. BUCHANAN, Florida
 Mr. CRENSHAW, Florida
 Mr. WILSON, South Carolina
 Mrs. BROOKS, Indiana
 Mr. LATHAM, Iowa
 Mrs. BLACK, Tennessee
 Mr. RIBBLE, Wisconsin

APPOINTMENT OF MEMBERS TO COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The SPEAKER pro tempore. The Chair announces the Speaker's appointment, pursuant to 22 U.S.C. 3003, and the order of the House of January 3, 2013, of the following Members on the part of the House to the Commission on Security and Cooperation in Europe:

Mr. PITTS, Pennsylvania
 Mr. ADERHOLT, Alabama
 Mr. GINGREY, Georgia
 Mr. BURGESS, Texas

SWAPS REGULATORY IMPROVEMENT ACT

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 391, I call up the bill (H.R. 992) to amend provisions in section 716 of the Dodd-Frank Wall Street Reform and Consumer Protection Act relating to Federal assistance for swaps entities, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 391, the bill is considered read.

The text of the bill is as follows:

H.R. 992

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Swaps Regulatory Improvement Act".

SEC. 2. REFORM OF PROHIBITION ON SWAP ACTIVITY ASSISTANCE.

Section 716 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (15 U.S.C. 8305) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(B), by striking "insured depository institution" and inserting "covered depository institution"; and

(B) by adding at the end the following:

"(3) COVERED DEPOSITORY INSTITUTION.—The term 'covered depository institution' means—

"(A) an insured depository institution, as that term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

"(B) a United States uninsured branch or agency of a foreign bank.";

(2) in subsection (c)—

(A) in the heading for such subsection, by striking "INSURED" and inserting "COVERED";

(B) by striking "an insured" and inserting "a covered";

(C) by striking "such insured" and inserting "such covered"; and

(D) by striking "or savings and loan holding company" and inserting "savings and loan holding company, or foreign banking organization (as such term is defined under Regulation K of the Board of Governors of the Federal Reserve System (12 C.F.R. 211.21(o)))";

(3) by amending subsection (d) to read as follows:

"(d) ONLY BONA FIDE HEDGING AND TRADITIONAL BANK ACTIVITIES PERMITTED.—

"(1) IN GENERAL.—The prohibition in subsection (a) shall not apply to any covered depository institution that limits its swap and security-based swap activities to the following:

"(A) HEDGING AND OTHER SIMILAR RISK MITIGATION ACTIVITIES.—Hedging and other similar risk mitigating activities directly related to the covered depository institution's activities.

"(B) NON-STRUCTURED FINANCE SWAP ACTIVITIES.—Acting as a swaps entity for swaps or security-based swaps other than a structured finance swap.

"(C) CERTAIN STRUCTURED FINANCE SWAP ACTIVITIES.—Acting as a swaps entity for swaps or security-based swaps that are structured finance swaps, if—

"(i) such structured finance swaps are undertaken for hedging or risk management purposes; or

"(ii) each asset-backed security underlying such structured finance swaps is of a credit quality and of a type or category with respect to which the prudential regulators have jointly adopted rules authorizing swap or security-based swap activity by covered depository institutions.

"(2) DEFINITIONS.—For purposes of this subsection:

"(A) STRUCTURED FINANCE SWAP.—The term 'structured finance swap' means a swap or security-based swap based on an asset-backed security (or group or index primarily comprised of asset-backed securities).

"(B) ASSET-BACKED SECURITY.—The term 'asset-backed security' has the meaning given such term under section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).";

(4) in subsection (e), by striking "an insured" and inserting "a covered"; and

(5) in subsection (f)—

(A) by striking "an insured depository" and inserting "a covered depository"; and

(B) by striking "the insured depository" each place such term appears and inserting "the covered depository".

The SPEAKER pro tempore. The bill shall be debatable for 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Agriculture and the chair and ranking minority member of the Committee on Financial Services.

The gentleman from Texas (Mr. CONAWAY), the gentleman from Georgia (Mr. DAVID SCOTT), the gentleman from Texas (Mr. HENSARLING), and the gentlewoman from California (Ms. WATERS) each will control 15 minutes.

The Chair recognizes the gentleman from Texas (Mr. HENSARLING).

GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material in the RECORD on H.R. 992, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HENSARLING. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, America's economy remains stuck in the slowest, weakest, nonrecovery recovery of modern times. Millions of our fellow countrymen remain unemployed, underemployed. Many because of ObamaCare just had their hours cut, and millions lie awake at night wondering how they will make ends meet.

Regrettably, those who create jobs in America for our constituents are drowning in a sea of red tape which is preventing them from hiring new workers. I still vividly remember the day when one of my constituents in east Texas came to me as he shut down his small business due to red tape and he said, Congressman, it got to the point where I just thought my government didn't want me to succeed.

Mr. Speaker, today we have an opportunity to ensure that businesses succeed in America, succeed in hiring new workers. Today, just like yesterday, Mr. Speaker, Republicans and Democrats can again pass bipartisan legislation that will help grow our economy. This legislation is H.R. 992, and I commend the bipartisan group of members who introduced the bill: Mr. HULTGREN, Mr. HIMES, Mr. HUDSON, and Mr. MALONEY.

As chairman of the Financial Services Committee, I also want to thank the members of the committee who joined together and approved this bill on an overwhelmingly bipartisan vote of 53-6. Mr. Speaker, the vote was 53-6. This bipartisan bill will relieve manufacturers, farmers, ranchers, and Main Street businesses of unintended consequences of one section of the Dodd-Frank Act.

Many Americans may not realize it, but farmers, ranchers, manufacturers, and other employees use a financial product called a derivative to manage risk and protect themselves from extreme fluctuations in the price of things like fuel, fertilizer, and commodities.

For example, a company like John Deere will do an interest rate swap as they finance a tractor for a farmer in east Texas in my district, and that derivative is directly linked to the cost of that tractor for my constituent.

Companies like Southwest Airlines who operate in my hometown of Dallas, Texas, they will use derivatives to lock in cheaper fuel prices when the price of crude oil is on the rise. This keeps the cost of flying more affordable for customers, like the grandmother in Mesquite, Texas, who travels to visit her grandchildren in Kansas City.

Perhaps a farmers co-op in Nebraska will use derivatives to finance fixed-price diesel for truckers who haul cattle. Perhaps a hospital in Los Angeles may use derivatives to hedge against